

**7.10.4** submitted to the Crown within 60 days after Statistics Canada has posted the actual annual index for the year being claimed.

**7.10.5** Economic price adjustments will be calculated only on the labour portion of the base MMF and the Fully Loaded Labour Rates without general and administrative expenses, profit, or overhead.

**7.10.6** All calculations will be performed to eight (8) decimal points and the resulting rates applicable for the next Contract Year will be rounded to the nearest dollar.

**7.10.7** If the Economic Indicator referred to in this clause is discontinued, or if the basis for reporting this Economic Indicator is changed from that in existence on the award date of the Contract, the Contractor and Canada must immediately thereafter agree to and establish a replacement economic indicator, or formulate adjustments, consistent with the intent of those set forth in this clause, and in default of such agreement, Canada will determine the appropriate method of adjustment.

## **7.11 Cost Submission**

**7.11.1** If requested by the Contracting Authority, the Contractor must submit to the Contracting Authority, a cost submission, upon completion of the Contract, or any Task Authorization, or annually for multi-year contracts spanning more than one Contractor fiscal year.

**7.11.2** The cost submission must contain a breakdown of all applicable cost elements as detailed in the Contract and must be signed and certified accurate by the Contractor's Senior Financial Officer, unless stated otherwise in writing.

**7.11.3** Supporting information for each cost element must be available in sufficient detail to allow for an in-depth audit.

## **7.12 Discretionary Audit**

**7.12.1** The following are subject to government audit before or after payment is made:

- a) The amount claimed under the Contract, as computed in accordance with the Basis of Payment, including time charged.
- b) The accuracy of the Contractor's time recording system.
- c) The estimated amount of profit in any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier, for which the Contractor has provided the appropriate certification. The purpose of the audit is to determine whether the actual profit earned on a single contract if only one exists, or the aggregate of actual profit earned by the Contractor on a series of negotiated contracts containing one or more of the prices, time rates or multipliers mentioned above, during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in earlier price or rate certification(s).
- d) Any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier for which the Contractor has provided a "most favoured customer" certification. The purpose of such audit is to determine whether the Contractor has charged anyone else, including the Contractor's most favoured customer, lower prices, rates or multipliers, for like quality and quantity of goods or services.